

Objection Deadline: April 30, 2019 AT 5:00 P.M.

Hearing Date and Time: TBD by Court, if necessary

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

**URGENT MOTION FOR ENTRY OF AN ORDER APPROVING STIPULATION AND
CONSENT ORDER BETWEEN TITLE III DEBTORS (OTHER THAN COFINA) AND
THE PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY AUTHORITY
ACTING ON BEHALF OF THE GOVERNMENTAL ENTITIES LISTED ON
APPENDIX “A” REGARDING THE TOLLING OF STATUTE OF LIMITATIONS**

To the Honorable United States District Judge Laura Taylor Swain:

The Commonwealth of Puerto Rico (the “Commonwealth”), the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), the Puerto Rico Highways and Transportation Authority (“HTA”), and the Puerto Rico Electric Power Authority (“PREPA”), each in its capacity as a Title III debtor (the Commonwealth, ERS, HTA and PREPA together the “Title III Debtors”), and each by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the representative of Title III Debtors and the Puerto Rico Fiscal Agency and Financial Advisory Authority (“AAFAF”) on

¹ The Debtors in these Title III Cases, along with each Title III Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

behalf of the entities set forth on Appendix A to the Stipulation (the “Governmental Entities”) respectfully submit this urgent motion (the “Urgent Motion”), for entry of an order approving a stipulation, attached hereto as **Exhibit A** (the “Stipulation”),³ tolling certain claims that i) the Debtors purportedly have against the Governmental Entities; and ii) to the extent not already tolled by another order of the Court, that Debtors may have against each other. In support of this Urgent Motion, the Title III Debtors respectfully represent as follows:

Background

1. On May 3, 2017, a petition under Title III of PROMESA was filed on behalf of the Commonwealth with the United States District Court for the District of Puerto Rico.

2. On May 21, 2017 a petition under Title III of PROMESA was filed on behalf of ERS with the United States District Court for the District of Puerto Rico.

3. On May 21, 2017, a petition under Title III of PROMESA was filed on behalf of HTA with the United States District Court for the District of Puerto Rico (the “HTA Title III Case”).

4. On July 2, 2017 a petition under Title III of PROMESA was filed on behalf of PREPA with the United States District Court for the District of Puerto Rico.

5. The present Urgent Motion is patterned on the *Urgent Motion for Entry of an Order Approving Stipulation Between the Commonwealth of Puerto Rico and the Puerto Rico Highways and Transportation Authority Regarding the Tolling of Statute of Limitations* [ECF No. 6126 of Case No. 17-03283 and ECF No. 544 of Case No. 17-03567] approved on April 26, 2019 [ECF No. 6531 of Case No. 17-03283 and ECF No. 560 of Case No. 17-03567]. For the avoidance of doubt, nothing herein provides authorization to any party to pursue any of the claims tolled in the

Stipulation, and nothing in the Stipulation tolls any claims other than those against a party other than a Governmental Entity or a Debtor.

Relief Requested

6. In an effort to promote judicial economy and provide parties in interest with sufficient time to continue settlement discussions, the Title III Debtors, through the Oversight Board, have agreed, among other things, to toll the statutes of limitations in connection with the Causes of Actions such that the Statutory Deadlines shall expire two hundred seventy (270) days from and after the date on which the Statutory Deadlines would have expired in the absence of the Stipulation.² Such period may be shortened or extended upon appropriate notice being provided to the Court and the statutory committee of unsecured creditors appointed in the cases other than COFINA (the “Creditors’ Committee”) in which case, the Statutory Deadlines shall expire on the date that is one hundred fifty (150) days from the delivery of such Termination Notice plus the number of days between the Stipulation Effective Date, and the date on which the Statutory Deadlines would have expired in the absence of the Stipulation to the Court. As described above, the Stipulation does not seek to modify any tolling agreement that has already been approved by an order of the Court.

7. Accordingly, the Stipulation attached hereto as **Exhibit A** has been executed by the Title III Debtors and is now being presented to this Court through this Urgent Motion for approval and entry on the docket.

8. Pursuant to Paragraph I.H of the Eight Case Management Procedures, the Title III Debtors hereby certify that they have carefully examined the matter and concluded that there is a true need for an urgent motion; have not created the urgency through any lack of due diligence;

² Defined terms not otherwise defined herein shall have the same meaning ascribed to them in the Stipulation.

have made a bona fide effort to resolve the matter without a hearing; and have made reasonable, good-faith communications in an effort to resolve or narrow the issues that are being brought to the Court.

Notice

9. The Title III Debtors have provided notice of this Urgent Motion to: (a) the Office of the United States Trustee for the District of Puerto Rico; (b) the indenture trustees and/or agents, as applicable, for the Title III Debtors' bonds; (c) the entities on the list of creditors holding the 20 largest unsecured claims against the Title III Debtors; (d) the statutory committees appointed in these Title III Cases; (e) the Office of the United States Attorney for the District of Puerto Rico; (f) counsel to the Puerto Rico Fiscal Agency and Financial Advisory Authority; (g) the Puerto Rico Department of Justice; and (h) all parties filing a notice of appearance in these Title III Cases. The Title III Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

No Prior Request

10. No prior request for the relief sought in this Urgent Motion has been made to this or any other court.

[Remainder of page intentionally left blank]

WHEREFORE the Title III Debtors respectfully request the Court to approve and enter the Stipulation, attached hereto as **Exhibit A**, and grant the Title III Debtors such other relief as is just and proper.

Dated: April 28, 2019
San Juan, Puerto Rico

Respectfully submitted,

/s/ Brian S. Rosen

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